

Message Text

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TAGS: EAIR, NZ

SUBJ: CIVAIR PAN AM - GNZ MEETING ON FEB. 27.

1. PAN AM V.P. MR. R.L. CARLSON, ACCOMPANIED BY PAN AM DIRECTOR FOR NZ D. MORGAN, MET WITH DEPUTY SECRETARY FOR TRANSPORT A.J. EDWARDS AND CONTROLLER OF AIR SERVICES POLICY, F. NORTON ON FEB. 27. MESSRS NORMAN SEARLE, ASSISTANT TO GENERAL MANAGER, AND GEOFF MATHIESON, DIRECTOR PLANNING OF AIR NEW ZEALAND (ANZ) WERE PRESENT AS ADVISORS TO GNZ OFFICIALS. E/C COUNSELOR WAS PRESENT AS AN OBSERVER. BEFORE MEETING, CARLSON AND MORGAN ALSO CALLED BRIEFLY ON AMBASSADOR.

2. MEETING, WHICH LASTED ABOUT 5 HOURS, WAS CORDIAL THROUGHOUT. CARLSON PRESENTED PAN AM'S WISHES ON STOPOVER AND TRANSFER POINTS AND SAID PROVISION FOR THIS WAS IMPLIED UNDER SECTION 8 US-NZ AIR TRANSPORT AGREEMENT GNZ POSITION ON 6TH FREEDOM VS 3RD AND 4TH FREEDOM WAS OUTLINED BY EDWARDS - NAMELY GNZ HAD NO OBLIGATION TO GRANT TRANSFER AND STOPOVER RIGHTS ON 6TH FREEDOM TRAFFIC. HOWEVER, IT WAS NOT GNZ'S INTENT OR DESIRE TO DEPRIVE PAN AM OF PARTICIPATING IN THIS TRAFFIC. HE POINTED OUT THAT PAN AM'S CHANGED ROUTING, INTO THE US (ADDING SUCH POINTS AS DALLAS, SEATTLE, ETC) HAD RESULTED IN LESS PAN AM TRAFFIC INTO

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SAN FRANCISCO AND LOS ANGELES WHICH ARE THE

AUTHORIZED TRANSFER AND STOPOVER POINTS. THIS CHANGE BY PAN AM EFFECTIVELY REDUCED PAN AM'S CHANCE TO CARRY 6TH FREEDOM TRAFFIC. CARLSON SAID THESE ROUTE CHANGES WERE TO IMPROVE PAN AM'S SERVICING OF 3RD AND 4TH FREEDOM TRAFFIC. HE SAID HE DID NOT FEEL IT WOULD BE CORRECT TO FIX ITS DESTINATIONS TO CATER TO 6TH FREEDOM TRAFFIC, BUT BY THE SAME TOKEN IT SHOULD NOT BE DEPRIVED OF THIS TRAFFIC IN ITS EFFORT TO IMPROVE 3RD AND 4TH TRAFFIC. ALSO, HE POINTED OUT, ACCORDING TO THE GNZ POSITION THERE WOULD BE NOHING TO STOP GNZ FROM FURTHER RESTRICTING TRANSFER AND STOPOVER POINTS, WERE PAN AM TO ADJUST ITS SERVICE TO CATER TO 6TH FREEDOM TRAFFIC.

3. NORTON POINTED OUT THAT GNZ ACTION OF LAST OCTOBER WAS TO DEPRIVE AIRLINES SUCH AS KLM, SAS ETC WHICH HAD NO RIGHTS FROM PARTICIPATING IN THIS 6TH FREEDOM UK TRAFFIC. ALSO, HE SAID NZ WISHED TO SHIFT A LARGER SHARE OF NZ-UK AIR TRAVEL FROM MID-EAST ROUTES (FORMERLY (65 PERCENT) WHICH WAS CARRIED MOSTLY BY QUANTAS TO PACIFIC - NORTH AMERICAN ROUTES (NOW ABOUT 52 PERCENT). HE SAID HE THOUGHT, THOUGH PAN AM FELT IT HAD BEEN DEPRIVED OF ITS SHARE OF 6TH FREEDOM TRAFFIC VIA THE U.S. IT WILL BE RELATIVELY CONSIDERABLY LARGER AND PAN AM CARRIAGE WILL HAVE ANINCREASED, TOTAL OF 6TH FREEDOM TRAFFIC.

4. AFTER A BIT MORE OF THIS SORT OF SPARRING AND POSITIONING THE MEETING MOVED GRADUALLY MORE INTO A DISCUSSION OF SPECIFIC QUESTIONS. THESE INCLUDED THE FOLLOWING:

A) SAN FRANCISCO AND LOS ANGELES STOPOVER TRANSFER POINTS: IF ACCEPTABLE WORDING COULD BE FOUND, THESE TWO POINTS MIGHT BE COMBINED AS ONE COMMON POINT E.G. PASSENGERS COULD ARRIVE AT LA AND CONTINUE ON FROM S.F. IT WAS AGREED TO WORK UP THIS LANGUAGE AND TO PRESENT IT TO THE UK FOR THEIR CONCURRENCE.

B) HONOLULU AS A STOPOVER/TRANSFER POINT:
ITITIALY GNZ (NORTON) TOOK STRONG POSITION
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THIS WOULD NOT BE POSSIBLE AS THIS WOULD OPEN UP THE FLOOD GATES TO OTHER AIRLINES, ESPECIALLY QUANTAS IN RE SYDNEY, TO MAKE SIMILAR DEMANDS. ALSO A CARRIAGE OF LESS THAN 6000 MILES WOULD BE UNECONOMICAL. BUT LITTLE BY LITTLE - AS IT BECAME APPARENT ANZ WASN'TOO OPPOSED TO SOME LIMITED ARRANGEMENT, THE DISCUSSION MOVED MORE TO HONOLULU AS AN ON-LINE TRANSFER POINT BUT WITH NO OVERNIGHT LAYOVER

(NO "BED-NIGHT"). A POSSIBLE AGREEMENT ON THIS LOOKS GOOD.

C) NEW YORK WAS ALSO BROUGHT UP BY CARLSON BUT WHEN IT WAS POINTED THAT TP PRESS THIS COULD WEAKEN CHANCES OF OTHER POSSIBLE SOLUTIONS (HONOLULU) CARLSON DESISTED.

D) HONG KONG - IN EFFECT WHEN THE UK APPROVES HONG KONG AS A TRANSFER POINT GNZ WILL ALSO APPROVE. DISCUSSION ON THIS WAS BRIEF.

4. THOUGH FINAL AGREEMENT WAS NOT REACHED ON ISSUES DISCUSSED, CONSIDERABLE HEADWAY WAS MADE IN CLARIFYING THE ISSUES AND CLEARING THE ROAD FOR FINAL SOLUTION. THIS IS NOT TO SAY THERE WILL BE NO FURTHER HITCHES. BUT WITH THE MUTUAL GOOD WILL AND DESIRE TO ACCOMODATE WHICH WAS DEMONSTRATED AN ACCEPTABLE ARRANGEMENT SHOULD BE ATTAINABLE.

5. EDWARDS TWICE MADE IT A POINT TO SPEAK OF THE HIGH REGARD GNZ HAD FOR PAN AM AND THE CLOSE RELATIONS WHICH HAD EXISTED WITH PAN AM OVER THE YEARS AND TO EXPRESS GNZ REGRETS FOR THE UNFORTUNATE DIFFICULTIES OF THE PAST FEW MONTHS. HE SAID GNZ WANTED VERY MUCH TO AVOID ANY ACTION WHICH WOULD GIVE RISE TO ANY OTHER SUCH CONFRONTATION.

6. CARLSON TOLD E/C COUNSELOR AFTER MEETING THAT HE THOUGHT HIS VISIT HAD BEEN WORTHWHILE.
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